



M e m o r a n d u m

To: Panel Members

Date: June 26, 2003

From: Pam Haynes
Assistant Director

File: 64:06

Subject: SMALL BUSINESS PILOT PROJECT (SBPP) UPDATE FOR JUNE 2003

BACKGROUND

The purpose of this pilot project is to test whether specific changes in ETP contracting processes and procedures can increase the number of small employers participating in ETP training who would otherwise not complete the ETP contracting process.

Participation would be limited to those small employers that:

- Employ 100 or fewer employees.
- Need less than 40 hours of training but at least 8 hours of training thus eliminating the need for the full and lengthy development of a curriculum.
- Total training costs does not exceed \$25,000.
- Are willing to participate in a modified contracting system that:
 - Simplifies (by combining) the eligibility and application process reducing the field office processing time to 5 days or less;
 - Allows for a shorter training agreement reducing processing, after approved, to as little as 1 day.
- Agree to a modified two-payment schedule that allows for an expedited (5-10 day) invoicing process.
- Can complete training within a 1 to 2 month period as opposed to as much as a two-year period.

SBPP CONTRACTS FOR PANEL CONSIDERATION

In your panel packet this month you will find 15 new contracts and one amendment developed under the SBPP. If approved by the Panel, these new projects will bring the total number of contracts to 56 for the nine months of project development.

Twelve projects are from the manufacturing sector and three are from the services sector. These projects are located in Sonoma (1), Ventura (1), Los Angeles (5) Orange (3) and San Diego (5) counties.

These companies range in size from a total of 7 to 92 employees. The average ETP contract amount is \$7,619. Training hours range from a low 8 to a high of 39 hours. Wages paid to trainees range from \$12.51 to \$37.75 per hour. While 9 employers either meet or exceed the ETP minimum hourly wage, 6 employers (*Magnus Mobility Systems, Inc.*, *Powdercoat Services, Inc.*, *Technical Difference, Inc.*, *AAA Plating & Inspection, Inc.*, *Aircraft Hinge, Inc.*, and *Hanson Lab Furniture*) are using health benefits (ranging from \$.73 to \$2.30) to meet the hourly wage for Los Angeles, Orange, and San Diego counties.

Also, there is one amendment for Z Microsystems, Inc., to increase their contract (initially approved by the Panel in December 2002) amount by \$1,900. This brings the contract total to \$14,700. The amendment was necessary to provide additional training hours for five of the 32 authorized workers under the original contract.

The total ETP training costs for the 16 projects (including the amendment) is \$119,380. The smallest contract is \$1,800 and the largest contract is \$19,500. The in-kind contributions totals \$124,578 (this represents a 52 percent employer contribution toward worker training).

In addition, our small business development staff is currently working with 21 SBPP applications to bring forward for your approval at the July and August meetings.

The table below shows (should the Panel approve the projects before you) a total of 56 SBPP contracts have been developed to date, totaling \$630,480 in funds committed to the Small Business Pilot Project during the 2002/2003 fiscal year.

SBPP Panel Approval	Number of Contracts	Dollar Amount Approved	Approved Amendments Dollar Amount	Totals
October 2002 to May 2003	41	\$511,100	\$0	\$511,100
June 26, 2003 Panel Meeting	15*	\$117,480*	\$1,900*	\$119,380*

* Pending Panel approval at the June 26, 2003 Panel Meeting

SMALL BUSINESS PILOT PROJECT EVALUATION

Staff has finalized the Interagency Agreement with the Ohrenschall Center for Entrepreneurship, College of Business at California State University, San Francisco to perform the SBPP evaluation. Data collection for the SBPP evaluation began in April and May and planning for three employer focus groups are in the process of being scheduled in the San Mateo, Los Angeles and San Diego for mid-July and early-August.

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DEVELOPMENT ACTIVITY UNDER THE SMALL BUSINESS PILOT PROJECT

Reference Number	Contractor	RED Received	RED Assigned	Field Office Assigned	Analyst	Site Visit	Application for Funding Received	Application Assigned	Dollar Amount	ETP Agreement Number	CRU Received Date	ETP Agreement Approved Date	SBPP Agreement Number	Date Returned to Standard Development
02-0216	MWS Wire Products, Inc	12/03/2001	12/03/2001	LA	JJ	12/11/2001	10/03/2002	10/03/2002	\$7,340.00	ET03-0190-000	10/10/2002	10/24/2002	03	
02-0233	Castle Press, Inc.	12/11/2001	12/11/2001	LA	JJ	02/07/2002	11/20/2002	10/11/2002	\$14,000.00	ET03-0189-000	10/10/2002	10/24/2002	02	
02-0519	VAS Engineering	06/18/2002	06/20/2002	SD	SG	07/16/2002								10/16/2002
03-0007	POLYONE	07/08/2002	07/18/2002	LA	JJ	12/13/2002	12/13/2002	12/13/2002		ET03-0270-000	02/06/2003	02/27/2003		12/13/2002
03-0042	Sihegee USA	08/06/2002	08/27/2002	SD	SG	10/09/2002								10/16/2002
03-0072	Pacifica Capital Company	09/03/2002	09/04/2002	SD	SG	10/07/2002	10/08/2002	10/08/2002	\$14,880.00	ET03-0194-000	10/10/2002	10/24/2002	06	
03-0078	Pelican Rope Products	09/09/2002	09/17/2002	SD	SG	10/18/2002	11/06/2002	11/06/2002	\$2,760.00	ET03-0207-000	11/13/2002	11/21/2002	08*	
03-0079	Quallion, LLC	09/09/2002	09/12/2002	LA	JJ	10/07/2002	11/12/2002	11/12/2002	\$24,400.00	ET03-0209-000	11/13/2002	11/21/2002	07	
03-0090	Gordon Laboratories	09/19/2002	09/19/2002	LA	JJ	10/25/2002	10/25/2002	10/25/2002	\$20,280.00	ET03-0210-000	11/13/2002	11/21/2002	09	
03-0094	US Rigging Supply Company	09/23/2002	09/23/2002	SD	SG	10/18/2002	11/06/2002	11/06/2002	\$3,120.00	ET03-0208-000	11/13/2002	11/21/2002	08*	
03-0104	Cypress Grove Chevre, Inc.	09/30/2002	10/01/2002	SC	KS	10/04/2002	10/04/2002	10/04/2002	\$3,120.00	ET03-0188-000	10/10/2002	10/24/2002	01	
03-0107	Imagic, Inc.	10/02/2002	10/02/2002	LA	JJ	10/04/2002	10/04/2002	10/04/2002	\$2,280.00	ET03-0191-000	10/10/2002	10/24/2002	04	
03-0108	Promor Unlimited	10/02/2002	10/02/2002	LA	JJ	10/08/2002	10/08/2002	10/08/2002	\$17,940.00	ET03-0192-000	10/10/2002	10/24/2002	05	
03-0109	Z Microsystems	10/02/2002	10/02/2002	SD	SG	10/15/2002	11/21/2002	11/21/2002	\$14,700.00	ET03-0228-000	12/04/2002	12/19/2002	15	
03-0112	Payroll People, Inc.	10/04/2002	10/04/2002	SC	KS	10/25/2002	12/19/2002	12/19/2002	\$5,760.00	ET03-0239-000	12/23/2002	01/23/2003	19	
03-0138	Frontline Sales, Inc.	10/21/2002	10/25/2002	LA	JJ	11/05/2002	11/05/2002	11/05/2002	\$7,100.00	ET03-0214-000	11/13/2002	11/21/2002	10	
03-0143	Unichem Industries	10/25/2002	10/29/2002	LA	JJ	11/01/2002	11/06/2002	11/06/2002	\$4,380.00	ET03-0213-000	11/13/2002	11/21/2002	13	
03-0147	Empower RF Systems, Inc.	10/31/2002	10/31/2002	LA	JJ	11/04/2002	11/05/2002	11/05/2002	\$2,880.00	ET03-0212-000	11/13/2002	11/21/2002	12	
03-0149	Ortho Engineering	11/05/2002	12/18/2002	LA	JJ	01/03/2003	01/13/2003	01/13/2003	\$14,040.00	ET03-0258-000	01/13/2003	01/23/2003	20	
03-0153	RINA Accountancy Corporation	11/05/2002	01/10/2002	SM										01/10/2003
03-0154	Sercomp Corporation	11/06/2002	11/06/2002	LA	JJ	11/05/2002	11/05/2002	11/05/2002	\$20,280.00	ET03-0211-000	11/13/2002	11/21/2002	11	
03-0163	T Christy Enterprises, Inc.	11/07/2002	11/08/2002	SD	SG	12/03/2002	12/03/2002	12/03/2002	\$24,960.00	ET03-0236-000	12/04/2002	12/19/2002	14	
03-0165	Industrial Modification & Repair, Inc.	11/07/2002	11/08/2002	LA	JJ	11/12/2002	12/03/2002	12/03/2002	\$12,480.00	ET03-0234-000	12/06/2002	12/19/2002	16	
03-0173	Santa Cruz Millwork	11/19/2002	11/19/2002	SM	AN	12/05/2002	12/05/2002	12/05/2002	\$3,640.00	ET03-0235-000	12/06/2002	12/19/2002	18	
03-0176	TLD Distribution, Inc.	11/22/2002	12/10/2002	LA	JJ	12/03/2002	12/03/2002	12/10/2002	\$24,960.00	ET03-0233-000	12/06/2002	12/19/2002	17	
03-0192	Primero Systems, Inc.	12/04/2002	12/18/2002	SD	SG	12/20/2002								
03-0195	American Cargoservice, Inc.	12/10/2002	12/10/2002	SD	SG	12/20/2002								
03-0200	Sciron Consulting Group	12/11/2002	12/18/2002	SD	SG	12/20/2002								
03-0220	Price Transfer	12/30/2002	01/14/2002	LA	JJ									01/30/2003
03-0221	Art Craft Paint	12/30/2002												02/28/2003
03-0228	Simmons Machinery Company	01/07/2002	01/10/2003	SM	AN	01/15/2003								
03-0230	NVISION, Inc.	01/10/2003	01/10/2003	SC	KS	01/10/2003	01/10/2003	01/10/2003	\$7,400.00	ET03-0259-000	01/13/2003	01/23/2003	21	
03-0240	Edgesoft, Inc.	01/21/2003	02/24/2003	LA	JJ	05/14/2003	06/02/2003	06/02/2003	\$7,020.00	ET03-0384	06/13/2003		50	
03-0246	Castor Technologies	01/27/2003	03/25/2003	SD	SG	03/21/2003								
03-0247	Orlando Spring Corporation	01/31/2003	01/10/2003	SD	SG	02/11/2003	02/11/2003	02/11/2003	\$17,160.00	ET03-0278-000	02/13/2003	02/27/2003	22	
03-0250	Roy E. Whitehead	02/04/2003	02/04/2003	SD	SG	02/11/2003	02/11/2003	02/11/2003	\$14,000.00	ET03-0279-000	02/13/2003	02/27/2003	23	
03-0251	Key Electronics Mfg.	02/04/2003	02/05/2003	SD	SG	02/11/2003	02/11/2003	02/11/2003	\$3,040.00	ET03-0277-000	02/13/2003	02/27/2003	24	
03-0253	Color Ad	02/07/2003	02/11/2003	LA	JJ	02/13/2003	02/13/2003	02/13/2003	\$24,960.00	ET03-0282-000	02/14/2003	02/27/2003	25	
03-0254	Aremac Heat Treating, Inc.	02/04/2003	02/10/2003	LA	JJ	02/13/2003	02/13/2003	02/13/2003	\$8,800.00	ET03-0281-000	02/14/2003	02/27/2003	26	
03-0260	Edge Circuit Technology	02/18/2003	02/18/2003	SD	SG									
03-0261	Owens Design, Inc.	02/20/2003	02/20/2003	SM	AN	02/21/2003	03/04/2003	03/05/2003	\$9,360.00	ET03-0305-000	03/11/2003	03/27/2003	27	
03-0275	International Metal Trading Company	03/03/2003	03/06/2003	LA	JJ	04/21/2003								04/21/2003
03-0278	Avencom, LLC	03/04/2003	03/06/2003	SD	SG	03/04/2003	04/07/2003	04/07/2003	\$3,020.00	ET03-0315-000	04/07/2003	04/24/2003	30	
03-0279	Wright Capacitors, Inc.	03/06/2003	03/10/2003	SD	SG									
03-0285	Solid State Stamping, Inc.	03/11/2003	03/11/2003	SD	SG	03/24/2003	04/07/2003	04/07/2003	\$24,960.00	ET03-0314-000	04/07/2003	04/24/2003	29	

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03-0295	Proactive Packaging and Display	03/17/2003	03/17/2003	SD	SG	04/02/2003	04/02/2003	04/03/2003	\$24,960.00	ET03-0312-000	04/07/2003	04/24/2003	28	
03-0303	Construction Navigator	03/20/2003	03/24/2003	SM	AN	04/04/2003								
03-0313	Ideal Grinding Technologies	03/21/2003	03/24/2003	LA	JJ	04/09/2003	04/09/2003	04/09/2003	\$2,000.00	ET03-0323-000	04/10/2003	04/24/2003	33	
03-0316	Sawing Services Company	03/24/2003	03/25/2003	LA	JJ	04/09/2003	04/09/2003	04/09/2003	\$2,400.00	ET03-0322-000	04/10/2003	04/24/2003	34	
03-0317	Vektrek Electronic Systems, Inc.	03/25/2003	03/27/2003	SD	SG	05/20/2003	05/16/2003	05/16/2003	\$3,800.00	ET03-0347-000	05/21/2003		41	
03-0325	Prompt Machine Products	03/25/2003	03/25/2003	LA	JJ	03/28/2003								
03-0327	Holly Yashi, Inc.	03/27/2003	03/27/2003	SC	KS	04/04/2003	04/07/2003	04/07/2003	\$19,500.00	ET03-0319-000	04/08/2003	04/24/2003	31	
03-0331	Power Industries, Inc.	03/28/2003												04/21/2003
03-0332	Joseph Phelps Winery	03/28/2003	04/01/2003	SC	KS	04/04/2003	04/07/2003	04/07/2003	\$3,840.00	ET03-0318-000	04/08/2003	04/24/2003	32	
03-0336	Roots & Rhythm	03/31/2003	04/03/2003	SM	AN									
03-0337	J Vineyards and Winery	04/03/2003	04/06/2003	SC	KS									
03-0345	Wingard Quality Supply	04/03/2003	04/09/2003	SM	AN	04/07/2003	04/09/2003	04/09/2003	\$21,060.00	ET03-0325-000	04/10/2003	04/24/2003	35	
03-0347	Technical Difference, Inc.	04/03/2003	04/30/2003	LA	JJ	05/28/2003	05/29/2003	05/29/2003	\$14,040.00	ET03-0357-000	05/29/2003		44	
03-0348	Perfect Dental Labs	04/03/2003	04/28/2003	LA	JJ									
03-0359	Southwest Show Tech	04/08/2003	04/10/2003	SD	SG									
03-0360	Vineburg, LLC dba, Gundlach Bundschu Winery	04/09/2003	04/11/2003	SC	KS	05/02/2003	06/02/2003	06/02/2003	\$4,800.00	ET03-0360-000	05/22/2003		42	
03-0367	Ram Laboratories	04/10/2003	04/11/2003	SD	SG									
03-0368	Dual Graphics	04/11/2003	04/11/2003	LA	JJ	04/14/2003	05/01/2003	05/01/2003	\$19,440.00				36	
03-0369	Domaine Carneros	04/11/2003	04/11/2003	SC	KS									
03-0370	Information Management Resource, Inc.	04/11/2003	04/11/2003	SD	SG									
03-0380	Lans Electric Motor and Tool Inc.	04/15/2003	04/15/2003	LA	JJ	04/22/2003								
03-0381	Pantronix Corporation	04/16/2003	04/16/2003	SM	AN	05/02/2003	05/05/2003	05/05/2003	\$18,000.00				37	
03-0382	Spilo Worldwide	04/17/2003	04/17/2003	LA	JJ	04/18/2003								05/15/2003
03-0383	La Tortilla Factory	04/17/2003	04/17/2003	SC	KS	04/30/2003	04/30/2003	04/30/2003	\$12,600.00				38	
03-0387	Gabriel Media Group	04/17/2003	04/17/2003	LA	JJ	05/05/2003	05/07/2003	05/07/2003	\$7,800.00				39	
03-0390	Magnus Mobility Systems, Inc.	04/21/2003	04/22/2003	SD	SG	05/12/2003	05/27/2003	05/27/2003	\$8,320.00	ET03-0354-000	05/28/2003		43	
03-0396	D.T. Mattson Enterprises Inc.	04/24/2003	04/24/2003	SD	SG	04/30/2003	05/09/2003	05/09/2003	\$23,400.00	ET03-0338-000	05/09/2003		40	
03-0429	Video Products Group	05/12/2003	05/13/2003	LA	JJ	06/05/2003	06/13/2003	06/13/2003	\$7,800.00	ET03-0382-000	06/13/2003		51	
03-0430	Hanson Lab Furniture	05/12/2003	05/13/2003	LA	JJ	06/01/2003	06/12/2003	06/12/2003	\$7,800.00	ET03-0386-000	06/13/2003		52	
03-0444	Va-Tran Systems, Inc.	05/19/2003	05/19/2003	SD	SG	06/03/2003	06/04/2003	06/04/2003	\$4,680.00	ET03-0376-000	06/05/2003		45	
03-0445	ETPOMS, Inc., d.b.a. Matrix Enterprises, Inc.	05/20/2003	05/20/2003	SD	SG	05/15/2003	06/02/2003	06/02/2003	\$5,640.00	ET03-0364-000	06/05/2003		46	
03-0451	Sheffield Platers, Inc.	05/21/2003	05/21/2003	SD	SG	05/29/2003	06/02/2003	06/02/2003	\$3,120.00	ET03-0365-000	06/05/2003		47	
03-0457	Sonfarrel, Inc.	05/22/2003	05/22/2003	SD	SG	05/28/2003	06/02/2003	06/02/2003	\$19,500.00	ET03-0363-000	06/05/2003		48	
03-0461	Powdercoat Services, Inc.	05/23/2003	05/23/2003	SD	SG	06/01/2003	06/04/2003	06/04/2003	\$4,460.00	ET03-0375-000	06/06/2003		49	
03-0465	TechFlex Packaging, LLC	05/27/2003	05/27/2003	LA	JJ	06/12/2003	06/10/2003	06/12/2003	\$7,680.00	ET03-0383-000	06/13/2003		53	
03-0492	Chen-Tech Industries, Inc.	06/10/2003	06/10/2003	SD	SG									
03-0494	AAA Plating & Inspection, Inc.	06/10/2003	06/10/2003	LA	JJ	06/10/2003	06/10/2003	06/12/2003	\$3,400.00	ET03-0381-000	06/13/2003		54	
03-0469	Industrial Modification & Repair, Inc.	05/30/2003	06/02/2003	LA	JJ									
03-0470	Aircraft Hinge, Inc.	06/02/2003	06/02/2003	LA	JJ	06/10/2003	06/10/2003	06/11/2003	\$15,600.00	ET03-0385-000	06/13/2003		55	
Total Activity:		84	82			66	56	56	\$ 630,660.00	52	52	36	56	9
Active Development:		21												

* This ETP Agreement was counted as a single Small Business Pilot Project as the employers were co-owned and co-located.